

From: "Madsen, Sherry" <SMadsen@downneysavings.com> on 01/30/2004 04:30:21 PM
Subject: Regulation Z - Truth in Lending

Jennifer J. Johnson, Secretary
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, N. W.
Washington, D.C. 20551

Re: Docket No. R-1168: Regulation B - Equal Credit Opportunity
(Proposed Rule)
Docket No. R-1169: Regulation E - Electronic Fund Transfers (Proposed Rule)
Docket No. R-1167: Regulation Z - Truth in Lending (Proposed Rule)
Docket No. R-1171: Regulation DD - Truth in Savings (Proposed Rule)

Dear Ms. Johnson:

This is in response to the request for comments concerning the proposed use of a more uniform standard for consumer disclosures, as described in each of the Federal Reserve Board notices identified above, as published on December 10, 2003 (collectively, "proposals").

Downey Savings and Loan Association, F.A. ("Downey Savings") is a federally-chartered savings and loan association headquartered in Newport Beach, California. As of December 31, 2003, Downey Savings has \$11.6 billion in assets, with 172 branch locations (169 in California, 3 in Arizona) and a site on the Internet. Downey Savings' principal business is attracting funds from the general public and institutions, and originating and investing in loans, primarily residential real estate mortgage loans. Since Downey Savings is not involved in consumer leasing, we have chosen not to comment on the proposed amendment to Regulation M.

Downey Savings opposes the Board's proposed standards for consumer disclosures. In its proposal, the Board states that the proposed standards would facilitate compliance and aid the consumers understanding of the disclosures. We do not believe that the Board's proposal adequately supports that the proposed changes will indeed enhance compliance or consumer understanding of disclosures. Rather, the proposed changes would trigger the review and revision of numerous disclosures, documents and marketing materials, which would impose undue costs and administrative burden on financial institutions without a reasonable improvement to the consumer disclosure process.

Finally, it is our experience that consumers do not typically complain about margins or font size of the consumer protection disclosures. Rather, consumers appear to be intimidated by the sheer number of consumer disclosures that must be made in most financial transactions. It is unlikely that changing the style or manner of presentation, or making the descriptions in the regulations consistent, will improve the willingness of consumers to read each and all of the disclosures provided to them.

For further discussion of the issues presented in the proposals, I invite you to contact me at 949/725-4794.

Sincerely,

Sharon B. Madsen

Vice President / Compliance Officer
Downey Savings and Loan Association, F. A.
949/725-4794; fax 949/854-8613
smadsen@downeysavings.com

This message and any attachments are for the intended recipient(s) only and may contain privileged, confidential and/or proprietary information about Downey Savings or its customers, which Downey Savings does not intend to disclose to the public. If you received this message by mistake, please notify the sender by reply e-mail and delete the message and attachments.